

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1670 – SB 1849

March 11, 2016

SUMMARY OF BILL: Prohibits the Commissioner of the Department of Environment and Conservation (TDEC) from conducting a number of periodic, on-site inspections of an operator's underground storage tank in excess of the minimum number of periodic, on-site inspections required by 42 U.S.C. § 6991d(c).

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$132,700/Underground Storage Tank Fund

Assumptions:

- The proposed bill would prohibit TDEC from conducting additional inspections in excess of the minimum amount required by federal law. Federal law under 42 U.S.C. § 6991d(c) requires each underground storage tank (UST) to be inspected at least once every 3 years.
- USTs are currently inspected more frequently; once every 2.4 years.
- Based on information provided by TDEC, it is estimated that there will be no decrease in state expenditures for conducting approximately 415 fewer inspections per year. The decrease will represent less than half of the workload for one inspector in each field office.
- Data from the Division of Underground Storage Tanks suggests that over the past 10 years operational compliance rates have improved and leaks from underground storage tanks have decreased as inspection rates have increased.
- According to TDEC, the average cost of cleanup, without considering if both soil and groundwater are impacted is \$132,684 and the cost of cleanup averages between \$340,000 and \$485,000 in situations where groundwater is contaminated.
- Assuming that one additional petroleum release occurred each year as a result of a decrease in the number of compliance inspections conducted by TDEC, the recurring increase in state expenditures from the Underground Storage Tank Fund is estimated to exceed \$132,684.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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